

ADMINISTRATIVE - INTERNAL USE ONLY

NOTE FOR: Robert W. Magee
Director of Personnel

FROM:

PAGE/OP

SUBJECT: Optimum Legislative Avenue for Obtaining Authority to
Administer Retirement Systems Internally

1. You asked for reasons why it would be preferable to use separate or independent "CIA" legislation -- whether in the form of amendments to the CIAR Act or a new bill (which might also include the "supplemental CIARDS" provisions for post-1983 employees) -- rather than amendments to the Civil Service Retirement Act, to give the DCI the authority to administer the CSRS (and other retirement systems) internally for Agency employees and annuitants, so as to maintain the security of sensitive personnel and related information and ensure necessary management flexibility in meeting the Agency's unique personnel needs.

2. The following reasons come to mind:

(a) Any effort to achieve the internal administration authority sought by amending the CSR Act or CSR Reform Act, and the act(s) establishing a new retirement system or new retirement systems for post-1983 employees, would inevitably get caught up in and diverted and possibly lost in the great brouhaha over benefits that is certain to occur in the consideration of such pieces of legislation. But the information security issue is independent of those questions and is too important to be allowed to get lost in the fray which is going to ensue on such issues as annuity reductions for early retirement, etc.

(b) Amending the general civil service retirement law to ensure that the DCI will be able to administer the non-CIARDS retirement systems internally could require exemptions and changes in at least two or three separate laws -- the Civil Service Retirement Act (as it may or may not itself be amended by any Civil Service Retirement Reform Act); the Supplemental Civil Service Retirement Act or other new retirement system legislation for post-1983 employees; and the Social Security Act (as it has been amended), if administration of that aspect of retirement affairs is to be brought in-house. If the Agency is planning to pursue supplemental CIARDS legislation for post-1983 employees anyway (whether by a wholly new act, by revision of the 1964 CIAR Act, or by the annual FY Authorization Act mechanism), it would be simpler and less burdensome for the Administration and the Congress to deal with all the Agency's concerns in that one place and one package.

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(c) Following up on (b), as a general matter, it would be more efficient and practical and logical for the Agency's retirement systems not to be subsumed or dealt with in general Civil Service or other general retirement laws, but to be handled in separate statute, so as to enable Agency management to effectively address future substantive retirement law changes as they may affect unique Agency personnel needs.

(d) The HPOCS and its Senate counterpart simply are not as attuned to security concerns as the HPSCI and the SSCI, and may not be cleared to an adequate or appropriate level to be fully and convincingly briefed on the need for the relief being sought.

(e) Seeking the CIA internal administration authority in the context of general CSR legislation or revisions would be much more visible and attract more of the heat and light of publicity, and thus be more likely to inspire would-be imitators, than an initiative pursued through the Intelligence Committees.

